BRITISH COLUMBIA

BC STATS Infoline

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Issue: 99-24 7 Pages
June 18, 1999

highlights

a weekly digest of recently released British Columbia statistics

Prices

- **British Columbia's consumer price index (CPI) increased 0.7% during the twelve-month period ending in May.** This brought BC's inflation rate back down to levels more in line with recent trends, following a spike (+1.1%) in April. The province had the second-lowest inflation rate in the country last month, after NWT (+0.6%). Canada's inflation rate was 1.6%, with rates in other regions ranging from 0.8% in PEI to 2.2% in Alberta. After experiencing deflation at the beginning of the year, residents of Atlantic Canada are once again seeing prices move up. For the second straight month, the CPI rose in PEI (+0.8%) suggesting that a year-long streak of falling prices has ended. *Source: Statistics Canada*

- **Lower shelter costs (-1.0%) continued to be the main reason for BC's persistently low inflation rate.** This was primarily due to a continued decline in the cost of owned accommodation (-2.5%), reflecting the effects of a relatively weak housing market and mortgage rates which remain virtually unchanged from the same time last year. The cost of other goods and services has been increasing at rates more similar to those in the rest of Canada. The province's year-over-year inflation rate excluding shelter costs was 1.4% in May. The comparable figure for all of Canada was 1.8%.
Source: Statistics Canada & BC STATS

- **Vancouver (+0.5%) and Victoria (+0.6%) remained the Canadian cities with the lowest increase in the overall price level.** On the high end of the scale, residents of Toronto (+2.0%), Edmonton (+2.1%) and Calgary (+2.2%) have seen prices rise at least 2% during the last year.
Source: Statistics Canada

High Technology

- **British Columbia's high tech sector grew 8.8% between 1996 and 1997, with GDP increasing to $2.7 billion (in constant 1992 dollars).** The 8.8% increase represented an improvement over 1996, when the high tech sector expanded 5.4%, but was below the double-digit growth seen earlier in the decade. In aggregate, high tech industries have outperformed the BC economy in every year since 1992, and high tech industries now generate just over three percent of BC's total GDP–about half as much as the forest sector. *Source: BC STATS*

- **Employment in high tech industries topped 46,000 in 1998, with most (37,000) of the jobs in the service industries.** Computer (14,000) services was the biggest employer, followed by engineering (13,000), scientific (7,000) and other related (3,000) services. High tech manufacturing industries employed about 9,000 people last year. *Source: BC STATS*

The Economy

- **BC exporters continued to make a comeback in April.** Exports of BC products were 11.5% higher than a year earlier, marking the ninth straight month in which the value of exports has risen. Exchange rate effects were a major contributing factor to the growth in exports at the end of last year. In addition, year-over-year comparisons reflected the fact that exports had dropped sharply during the latter half of 1997. Recent events, however, are more positive, as export growth has been well in excess of exchange rate changes.

  A resurgence in the forest products sector has been the main reason for the improvement. In April, forest product exports were 25.1% higher

Report **Co-operative movement grows through the 1990s**

Did you know...

Eight out of ten (80%) Canadians surveyed in 1996 said the police were doing a good job of controlling crime. Most Americans (77%) were also satisfied, but Europeans–especially those in the Netherlands (45%)–were not as sure that the police were on the ball.

than in the same month last year. Automotive exports roared ahead (+78.9%), with more moderate growth seen in international sales of machinery & equipment (+9.8%). Exports of automotive and machinery & equipment products have been growing steadily, cushioning the effect of a downturn in the forest sector during the last two years.

Canadian exports were up 5.6% overall, bolstered by an ongoing expansion in Ontario (+11.0%), where exports have been increasing at double-digit rates since last August. Strong showings in BC (+11.5%), Nova Scotia (+24.5%) and New Brunswick (+9.4%) also helped counteract the effects of declines in the rest of the country. *Source: Statistics Canada & BC STATS*

- **Shipments of goods manufactured in BC eased back 1.3% (seasonally adjusted) between March and April.** The decline was widespread within the sector. Shipments by durable goods industries fell 2.1% despite an improvement (+1.7%) in the wood industry. The non-durables sector fared slightly better (-0.3%), largely due to gains in petroleum and coal products (+12.2%) and some clothing & textile-related industries. Paper shipments were virtually unchanged (-0.1%) from March. Canadian shipments were also down, falling 0.8% as shipments declined in all but two provinces.
  Source: Statistics Canada

- **Wholesale sales in British Columbia shrank 1.0% (seasonally adjusted) between March and April.** Sales were flat or down in eight of the country's 13 regions (data for Nunavut is now reported separately from NWT), and Canadian sales were virtually unchanged from the previous month. *Source: Statistics Canada*

- **New motor vehicle sales in BC increased for the third straight month in April, rising to 14.1% above the April 1998 level.** Canadian sales rose 1.7%. *Source: Statistics Canada*

Bankruptcies

- **There were 774 consumer bankruptcies in British Columbia in March, a third (+34.8%) more than in the same month last year.** This was the second significant jump in the number of bankruptcies this year. The number of bankruptcies in the province during the first four months of 1998 was unusually low, as individuals in financial difficulties held off from filing until May 1st, when more generous exemption levels for personal property were introduced. This pent-up activity caused bankruptcies to soar in May and June of 1998. As a result, year-over-year comparisons of bankruptcy numbers for the first six months of 1999 will be somewhat skewed. Other factors such as personal debt loads have also contributed to the latest spike in the bankruptcy statistics. The number of bankruptcies in March was at its highest level since last June.
  Source: Industry Canada & BC STATS

- **Business bankruptcies were also sharply higher than a year earlier.** There were 102 business bankruptcies in March, compared to 65 in the same month last year. Business bankruptcies were up in most regions, rising 3.8% nationally, to 1,060. *Source: Industry Canada*

Births

- **A growing number of Canadian women are starting their families after the age of 30, and BC women are at the forefront of this trend.** While the majority (55%) of first-time mothers in the province were between the ages of 20 and 29, more than a third (35%) of the women who had their first child in 1997 were 30 or over. In 1987, two-thirds (67%) of new moms were aged 20-to-29, while just under a quarter (23%) were at least 30 years old. *Source: SC, The Daily*

- **British Columbia's infant mortality rate was 4.7 per 1,000 live births in 1997, with 210 of the 44,577 children born in that year dying before they reached their first birthday.** The Canadian rate was 5.5, with PEI and Nova Scotia (both at 4.4) having the lowest mortality rates. NWT (10.9) and Saskatchewan (8.9) were the regions with the highest mortality rates.
  Source: SC, The Daily

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

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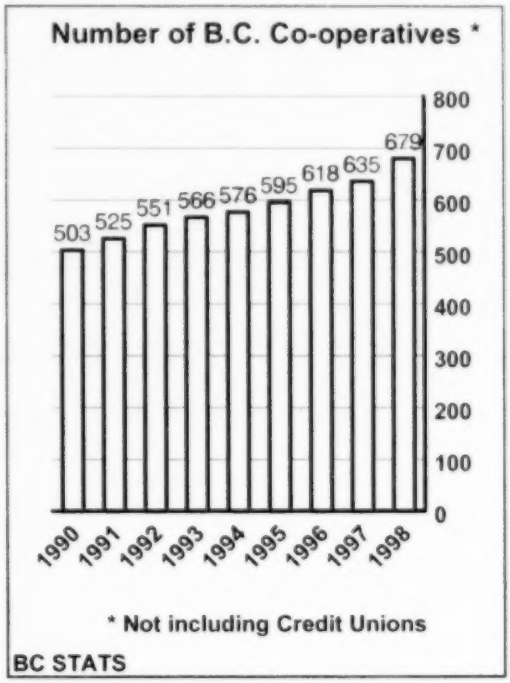
Infoline Report:

Co-operative movement grows through the 1990s

Contact: George Dufour / (250) 387-0376

Originally published in Fourth Quarter 1998 issue of *Small Business Quarterly*. Annual subscription: $60 + GST

More co-operatives are being registered in British Columbia than ever before. Their numbers have increased in every year of this decade, rising 35 per cent form 503 in 1990 to 679 registered at the end of 1998.



Many Forms of Co-operative

Co-operatives come in many shapes and sizes, but most are small-scale business organisations in which the customers are also the owners. Goods or services are provided to members and operating surpluses, if any, are distributed back to the membership.

Co-operatives can be established to operate almost any type of business that might be carried out by a standard commercial enterprise. But they are more likely to be found in situations where consumers perceive that market competition is inadequate, or that standard commercial operations cannot or will not supply their needs for particular goods or services, at prices they can afford.

For example, residents of a rural community might establish a co-operative general store because no private retailer is willing to set up in their area, or because they mistrust the alternative of a single private retail outlet with a local monopoly. They may feel confident trying the co-operative route because their rural setting eases the problems of organising co-op members and maintaining the necessary democratic dialogue.

Although co-ops are often associated with rural communities, there have also been successful urban based co-ops. Some have been formed to service specific market niches not occupied by conventional commercial enterprises. An organic food co-op, for example, may be originally established to provide products generally unavailable in local grocery outlets, or at least, unavailable at acceptable prices

Once formed, co-ops can become more firmly established as their membership increases and becomes accustomed to co-operative procedures. Co-op operating guidelines may sometimes include adherence to moral or ethical principles relating to environmental issues, animal rights, local community concerns, or overseas human rights issues.

Some urban co-ops have grown very large. Vancouver based mountain Equipment Co-op claims 1.1 million Canadian members and another 100 thousand outside the country. It maintains large retail outlets in Vancouver, Calgary, Ottawa, Toronto and Edmonton, and is a major commercial player in the Canadian retail market for sports equipment and clothing.

But although retail co-ops boast some of the largest memberships, the most numerous co-ops in British Columbia are those providing housing services. Many were established to develop and operate housing projects built with

B.C. Registered Co-operatives - By Type
(not including Credit Unions)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	% change 1990-1998
Housing	285	300	310	319	321	330	337	339	342	20.0%
Other Service	81	82	85	87	93	101	110	116	137	69.1%
Consumer	46	47	50	50	50	50	52	55	58	26.1%
Supply	8	9	10	11	11	11	11	11	11	37.5%
Production	47	51	56	59	61	62	64	65	73	55.3%
Marketing	36	36	40	40	40	41	44	49	58	61.1%
Total	503	525	551	566	576	595	618	635	679	35.0%

BC STATS

federal or provincial government financial assistance. Social concerns have figured as much as economic forces in their creation.

There were 342 British Columbia housing co-operatives registered in 1998, just over half of all co-operatives in the province. This proportion is large by comparison with other provinces. It reflects the greater need for alternative housing caused by the high cost of residential land in British Columbia.

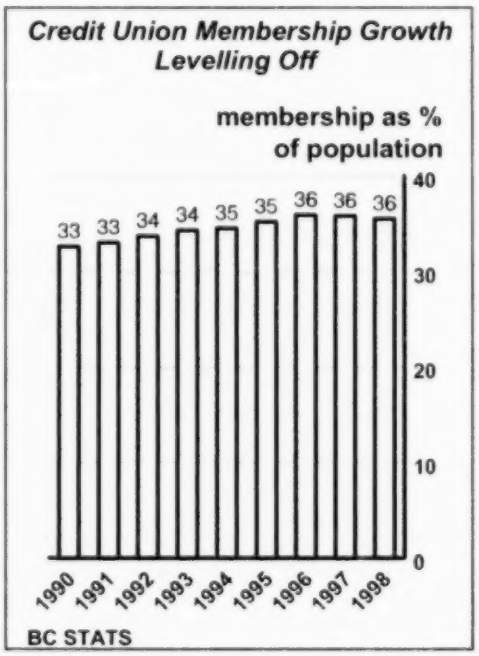
Although housing co-ops are the most numerous in British Columbia, other types of co-operative are being created at a faster pace. During the 1990s, the fastest rates of co-operative formation have been for general services, marketing and production. Between 1990 and 1998, the number of co-operative ventures registered in these sectors grew 69 per cent, 61 per cent and 55 per cent, respectively.

By comparison, the number of housing co-ops grew a relatively modest 20 per cent, slowed by a sharp reduction in the amount of government funding available for social housing projects.

A Credit Union Province

Credit unions are co-operative organisations providing financial services to their members. They are well established in British Columbia, accounting for a very large part of the province's co-operative business sector.

A series of mergers during the 1990s has reduced the number of credit unions operating in British Columbia from 111 in 1990, to 86 in 1998. This has been the result of consolidation in the movement, not a loss of market share to chartered banks or other types of financial



service institutions. It has taken place as credit union membership in the province has been rising to record high levels.

Membership figures have risen every year this decade, climbing from 1,073 thousand in 1990, to 1,423 thousand in 1998. Growth was fastest in the first half of the decade, increasing by 322 thousand between 1990 and 1996. Since 1996, the number of credit union members in the province has risen by another 28 thousand.

In the years up to 1996 credit union memberships were rising at a faster pace than provincial population. In 1990 the ratio of credit union memberships to provincial population was 32.6 per cent. By 1996, this had risen to 35.9 per cent. However, since then the ratio has fallen somewhat, slipping to 35.5 per cent in 1998.

Canadian Co-operative Movement Concentrated In West

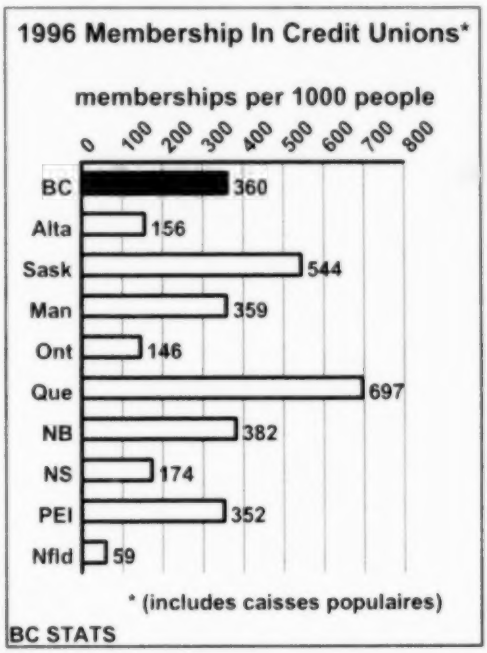
Canada's co-operative movement is strongest in the west. Saskatchewan in particular, has long been known for its large co-operative sector. There were 493 co-operative memberships per thousand people in Saskatchewan, in 1996. Alberta had the next highest concentration of any province, with 396 per thousand people. British Columbia followed with 334.

Prairie agricultural industries have played a key role in nurturing the western Canadian co-operative movement, and still include a wide variety of very active co-operative ventures. For example, in 1996, Saskatchewan could boast 174 grazing and feeder co-operatives, and numerous other types providing agricultural goods and services. In the same year, Alberta could claim 74 grazing and feeder co-ops, 138 rural electric co-ops, 82 water co-ops and 68 natural gas co-ops – among others.

Co-operative experience gained in prairie agricultural appears to have produced a co-operative culture that has since taken root in urban settings.

Saskatchewan's commitment to co-operativism also extends to credit unions, giving it one of Canada's strongest credit union movements. However, it is not the province with the strongest or oldest credit union movement in Canada. That distinction goes to Quebec.

Quebec is the home of the first credit union in North America, established in 1900 at Levy by Alphonse Desjardins. Desjardin's 'Caisse Populaire' has grown into a very prominent force in the province's financial services industry, and



has also spread to neighbouring provinces. In 1996, the Quebec movement could claim 697 caisse populaire memberships per thousand people. Saskatchewan's rate of credit union membership was next with 544 per thousand people, and New Brunswick (where the Caisse Populaire is also well established) followed with 382 credit union memberships per thousand people. British Columbia followed New Brunswick with 360 memberships per thousand people.

These rates are high by international standards. According to the World Council of Credit Unions, the movement is particularly well developed in Canada and the United States. They report that, at year-end 1997, there were 73 million credit union memberships in the United States and Canada. This compared with only 3 million for all of Europe, 9 million for Asia and 96 million worldwide.

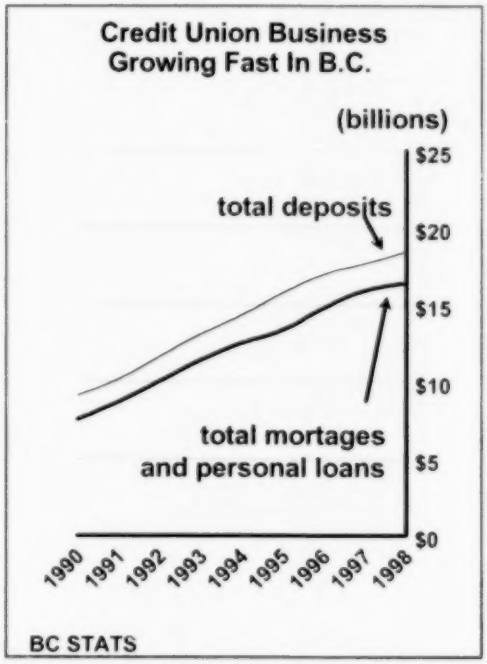
But the movement has also been taking hold in developing countries. Credit unions, along with other forms of co-operative enterprise, have come to be seen as valuable microeconomic tools for fostering development in third world economies. December 1997 figures from the World Council of Credit Unions indicate 3 million credit union members in Africa, 1 million in the Caribbean, and 5 million in Latin America.

Credit Unions A Growing Force In the British Columbia Economy

In many parts of Canada, credit unions have long since established an important place for themselves in the financial services industry.

British Columbia credit unions financed a substantial part of building activity in 1998, holding residential housing mortgages totalling $13 billion, and non-residential mortgages totalling $2 billion. Deposits in British Columbia credit unions amounted to $18 billion.

But so far, credit unions have not yet caught up with chartered banks in the volume of financial services business being conducted. At the third quarter of 1998 (the latest data available at time of writing), British Columbia credit unions accounted for an estimated 23 per cent of the total value of residential mortgage debt issued in the province by banks and credit unions combined. Credit unions accounted for 41 per cent of non-residential mortgage debt, and 9 per cent of personal loans. Their share of total deposits held either by credit unions or by chartered banks amounted to 25 per cent.



These ratios still lag those in Saskatchewan and Quebec, where credit unionism is more firmly established. However, the movement appears to be growing faster in British Columbia. The total value of deposits held by British Columbia credit unions grew 103 per cent between 1990 and 1998, from $9 billion to $18 billion. By comparison, the growth for credit union deposits was 19 per cent in Saskatchewan, and 44 per cent in Quebec.

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June 18, 1999

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jan 1/99	% change on one year ago
BC	4,021.4	0.7
Canada	30,418.1	0.9
GDP and INCOME		% change on
(BC - at market prices)	1997	one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Apr	2,961	8.5
Merchandise Exports (raw) Apr	2,345	11.5
Retail Sales (seasonally adjusted) Mar	2,748	0.6
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	May '99	one year ago
BC	111.1	0.7
Canada	110.4	1.6
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	May '99	one year ago
Labour Force - BC	2,062	0.7
Employed - BC	1,889	1.9
Unemployed - BC	174	-10.9
		May '98
Unemployment Rate - BC *(percent)*	8.4	9.5
Unemployment Rate - Canada *(percent)*	8.1	8.4
INTEREST RATES (percent)	June 16/99	June 17/98
Prime Business Rate	6.25	6.50
Conventional Mortgages - 1 year	6.75	6.55
- 5 year	7.65	6.95
US/CANADA EXCHANGE RATE	June 16/99	June 17/98
(avg. noon spot rate) Cdn $	1.4537	1.4615
US $ *(reciprocal of the closing rate)*	0.6853	0.6842
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Mar '99	one year ago
BC	619.13	1.1
Canada	605.14	-0.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

High Technology

BC STATS has released the 1999 edition of the ***Profile of the High Technology Sector***. This report provides an overview of trends in the GDP, employment, wages, revenues, exports and imports, during the last ten years.

This is the fourth publication of this annual report, which uses a standard industry definition to track growth consistently over time. The report covers manufacturers of aircraft and parts, computers, communication equipment, electrical industrial equipment, chemicals, and other high technology products, as well as service providers in the fields of computer services, engineering, medical laboratories, and other scientific and technical services.

The High Technology Sector is recognized as one of the fastest growing elements of the BC economy, and accounts for sizeable share of net job creation.

Look for the latest report on the BC STATS web site, at:

www.bcstats.gov.bc.ca/bus_stat/hi-tech.htm

Released this week by BC STATS

- Tourism Room Revenue, February 1999
- Consumer Price Index, May 1999

Next week

- Business Indicators, June 1999
- Current Statistics, June 1999

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